

**CITY OF PITTSBURG**  
**Joint Redevelopment Agency and**  
**City Council Minutes**  
**February 28, 2005**

Mayor/Chair Nancy Parent called the Joint Meeting of the Redevelopment Agency and the City Council to order at 6:00 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California after having convened into Closed Session at 5:00 P.M. for Public Employee Performance Evaluation for the City Manager and the City Attorney.

Mayor/Chair Parent advised that there was no reportable action from Closed Session.

**MEMBERS PRESENT:** Casey, Glynn, Johnson, Kee, Parent

**MEMBERS ABSENT:** None

**STAFF PRESENT**

- City Manager, Marc Grisham
- Deputy City Clerk, Alice Evenson
- Director of Housing and Community Programs, Annette Landry
- Director of the Redevelopment Agency, Garrett Evans
- Director of Development Projects, Randy Jerome
- Director of Engineering and Building, Joe Sbranti
- Director of Economic Development, Brad Nail
- Director of Human Resources, Marc Fox
- Director of Public Works, John Fuller
- Director of Planning, Melissa Ayres
- Director of Recreation, Paul Flores
- Director of Finance, Marie Simons
- Police Chief, Aaron Baker

**PLEDGE OF ALLEGIANCE**

Brad Nail led the Pledge of Allegiance.

**MEMBER REPORTS/REMARKS**

Member Glynn reported that he had attended the Black Families Association Dinner and had presented a proclamation on behalf of the City Council in support of the Black Families Association and other issues related to African-Americans.

Member Glynn also reported that he had also been involved in a recent meeting of the East Contra Costa Urban Limit Line Subcommittee. He advised that no resolution had occurred since the two subcommittees remained in debate as to its support for either Plan B or Plan C. The next date for a meeting had tentatively been set for March 21, 2005.

Vice Mayor/Chair Kee reported that he had attended a dinner on Saturday for the 50<sup>th</sup> Anniversary of the Fil-American Association when he been the guest speaker and had installed the new officers of that organization.

Mayor/Chair Parent reported that she had attended the Employee Recognition Dinner for the employees of the Delta Diablo Sanitation District when a number of awards had been offered to employees with no absences, and to acknowledge the years of service of various employees.

### **CITY MANAGER REPORTS/REMARKS**

City Manager Marc Grisham identified the serious discussion of a reduction of Community Development Block Grant (CDBG) funds from the federal government. He expressed the hope that the Council would support a letter from the Mayor/Chair outlining the importance of the CDBG program to Senator Dianne Feinstein in particular since she had not signed the letter of support. He stated that Annette Landry, the City's Housing and Community Programs Director, would be asked to also work with the City's non-profit providers who received CDBG funds to encourage those providers to contact Senator Feinstein in support of the program.

Mayor/Chair Parent explained that the letter of support had been solicited by the National Association of Mayor/Chairs. She suggested also contacting the Blind Center and other recipients of CDBG funds who could be encouraged to express their support of the program. She stated that Senator Barbara Boxer had signed the letter encouraging support for CDBG. If there was no objection from the Council she would sign the letter of support which had a deadline of March 2, 2005, and which had already been extended from its original date.

### **CITIZENS REMARKS**

There were no citizens' remarks at this time.

### **MISSION STATEMENT AND MAJOR GOALS**

City Manager Grisham reported that the accomplishments and activities of the various City departments would be highlighted with a quarterly review of similar reports. At this time a mid-year review of departments and the financial statements of the City would be provided this year in a two-year budget cycle.

Mr. Grisham referred to the staff packet and noted that the City had an adopted Mission Statement: *To provide responsive and high quality public services in partnership with our citizens celebrating our community's rich history, cultural diversity and pride in its prosperous future.* The Mission Statement was supported by the staff and the Council. He added that a series of values had also been identified including: integrity, trust, commitment, respect, pride, continuous learning and partnership.

Mr. Grisham commented that he had considered the Council's focus and had put together some of the major City goals, such as: maintain quality services to our residents and businesses; provide a sound financial system which supports immediate and long-term needs; train and retain skilled and motivated City employees; promote economic development for jobs and revenue; create a vibrant "Old Town"; actively promote development of housing that meets the needs of all residents; work for solutions to transportation issues in the community; establish strong partnerships with our schools; create a vision for the future growth of the City based on the General Plan; be entrepreneurial and provide future economic endowment for our City; provide confidence in City government; and communicate to our community and region the "Pride of being Pittsburg."

## **DEPARTMENT OBJECTIVES REVIEW AND GOAL SETTING**

### **a. Housing and Community Programs**

Director of Housing and Community Programs Annette Landry identified the Department's CDBG accomplishments and participation in the County Consortium Kick-off event in October 2004, along with the cities of Antioch, Concord, Pittsburg, Walnut Creek and the County at-large. At that annual event, all service providers had been invited to attend when information on the CDBG program and applications for that program had been made available. Joint applications had been pursued the last couple of years. Input from the service providers had been sought in November 2004 to address community needs in terms of the types of services to be provided. Although significant input had been provided, staff was in the process of preparing the next five year plan without a certainty of the ultimate direction the CDBG program might take.

Ms. Landry advised that the Housing and Community Programs Department had also provided input to the Community Advisory Committee (CAC) and had provided assistance to the CAC on its Candidates Forum in October 2004, which had been cosponsored by the CAC and the League of California Women Voters. The Department also presented the CDBG schedule for 2005-06 to the CAC and had received approval, including the review of 44 CDBG applications received on or before December 13, 2004. Binders had been prepared for the members of the CDBG Subcommittee which had been reviewed by Members Casey and Johnson who were part of that Subcommittee.

The Housing Authority Division was currently at a lease up rate of an average of 98.42 percent. The lease rate was normally between 94 and 96 percent. The Housing Authority Division had a successful monitoring visit from the U.S. Department of Housing and Urban Development (HUD) and continued to enjoy a rapport with that HUD representative. The Housing Authority Division had requested and had been approved for additional administrative fees from HUD in November 2004, for a total amount of \$157,788. Staff continued to attend seminars sponsored by HUD and other agencies and had attended an informational HUD seminar to create a Section 8 Homeownership Program that would allow current Section 8 tenants to become first time homeowners. To that end, a pilot program was being proposed, to be submitted to the City Council in the near future.

The Housing Authority had other training programs, several of which had been sponsored by the City including SEMS training; trust; strengthening the foundation; Bloodborne Pathogens; and Cross functional communications. In addition, outside training had been provided for Managing Stress in the Workplace, Microsoft Front Page, Growing Healthy Cities, Happy Software Training and NAHRO Training, all in order to keep up with current trends.

The Housing Rehabilitation Division accomplishments during the last quarter included funding for six new loans for a total of \$221,006; one funded with Redevelopment Agency funds. \$350,000 had been allocated to the rehab program for property improvements in the Black Diamond Area. The Division was currently assisting homeowners who were mentally and physically challenged and had spent \$65,000 to \$70,000 to bring a specific property up to code, allowing a family to remain in their home. Three loans were pending, with 33 clients on the waiting list. In addition to the rehabilitation program, the Division was working with Pacific Community Services Inc. (PCSI) to hire a consultant to prepare a \$2 million lead grant application. The City would have a side agreement with PCSI for community awareness training, with City staff responsible for the abatement and corrections.

Rehabilitation projects included two projects pending in the Black Diamond Project area for use with the RDA funds, with the Division to approach lenders for participation in the property improvement program using Community Investment Act requirements to invest back into the community.

Mayor/Chair Parent referred to the Section 8 Homeownership Program and verified with Ms. Landry that there might be potential applicants living in current units where the owners might be allowed to look for properties anywhere they might want to do so.

Ms. Landry explained that instead of subsidizing writs, the tenants would be provided funds to subsidize a mortgage. She noted that several cities and counties had implemented the program and HUD would allow the use of its funds for qualified applicants for a home purchase opportunity. She added that it would take several months for a buyer to be ready with credit counseling and money management training.

With respect to housing rehabilitation, Mayor/Chair Parent verified that six loans had been funded in the second quarter. She asked how many loans had been funded in 2003-2004, reported by Ms. Landry to be 16 to 20 new loans. Ms. Landry added that the goal for this year was 15 to 20 loans. There were currently 8 to 10 loans through December.

## **b. Police**

Police Chief Aaron Baker stated that the crime statistics for 2003, as compared to 2004, reflected a slight increase in the violent crime category with a slight decrease in other crime categories. The statistics between the two year period were close given the increase in population and some Neighborhood Watch outreach programs and reporting requirements which attributed to the aggravated assaults and grand theft reporting.

Chief Baker stated, when asked, that the solve rate was 100 percent clearance on homicide. Aggravated assaults were in the vicinity of 45 to 50 percent. The total solvability rate was higher than State average, in the 45 to 50 percent category. He added that the violent crime rate was 20 to 25 percent below the State average while property crimes were the State average.

Chief Baker reported that the Police Department had completed the Evidence Manual this past quarter and the Emergency Operations Plan had recently been adopted by the City Council. A new physical fitness policy had been instituted to recognize those officers who remained in good physical condition. Those officers were presented with uniform ribbons to honor that effort. A grant allowed the Department to buy respirators for the emergency first responders. A new e-mail system for subpoenas had been instituted although it was presently in the beta testing stage with officers still checking manually in the printout system but receiving subpoena notifications in their own e-mail boxes. Efforts were being made to streamline that process.

For code enforcement, a number of property abatements had occurred this past quarter, primarily along Industry Road. Generally code enforcement officers had been generating 1,000 new cases per quarter, 4,000 new cases each year. The Department hosted the introductory SEMS training in collaboration with the Human Resources Department and co-sponsored the major incident disaster scenarios with OES [Office of Emergency Services] which had involved 16 different police and fire agencies.

Chief Baker stated that the Cops Helping Elementary Students (CHES) program through the Preschool Coordinating Council involved a program where a school selected an eighth grader and matched that eighth grader with an officer who for one hour during the week would speak to the child about any topic. The program had been successful with a lot of interest. Ten officers were currently in the program with more interest from others.

The Holiday Heroes Program was conducted every year in conjunction with the Sheriff's Department and other East County police departments, where each school in the City chose a child from the school. During the month of December, a \$150 gift certificate from Wal-Mart and a \$50 cash purchase from Seecon Inc. was provided along with a Pancake Breakfast from the Boys and Girls Club. Afterwards the officers took the students to Wal-Mart to shop. That program was also very successful and well received by all involved.

Chief Baker reported that the Vehicle Theft Suppression Team dealt with the increase in vehicle theft. The program involved a countywide collaboration of East County cities in conjunction with the California Highway Patrol to pool resources and to check dismantling yards, with roving patrols to target stolen vehicles. As a result, vehicle theft was down by approximately 30 vehicles a year for the year.

A High School Criminal Justice class was taught by School Resource Officer Dan Callahan from 4:00 to 5:00 P.M. daily at Pittsburg High School, Monday through Friday. Twenty nine juniors and seniors had signed up for the class. The class, another outreach

program for youth in the community, would extend to the end of the school year.

Chief Baker advised that Business Watch was another goal in process with crime bulletins and a resource guide on the Police Department website. The Department was also networking with a number of service clubs with an ID theft and prevention type program which had been characterized as a great program that would be provided to groups of any size. The vehicle code enforcement program, "Avoid the 25," consisting of a multi-agency collaboration from December 17, 2004 through January 2, 2005, had resulted in 43 arrests. Overtime costs were funded by the Office of Traffic Safety (OTS).

For upcoming projects, Chief Baker reported that the Department was working on the web-cam project and would be placing web-cams throughout the City starting in the City parks, specifically Buchanan Park, with a monitor at the Police Department to be able to remotely monitor what was going on at City parks. With the necessary funding, the web-cam would be fed into the patrol cars. He noted that one of the Homeland Security Grants had been designated for that specific purpose.

Chief Baker stated that the Policy Manual was in process and would be completed soon. In March he would be sending an officer to code enforcement to assist the non-sworn code enforcement officers in some of the more complex and dangerous cases. The Department also had a new SWAT Manual in process along with a new Crisis Negotiation Team. Staff was also working on a grant to OTS for an Incident Command Vehicle, a mobile command vehicle 30 to 32 feet in length with equipment that could be moved to a crime scene, a neighborhood or a disaster. The Department had submitted to OTS for the grant and was currently one of 300 applicants. The City's Traffic Sergeant was checking on the status of the grant on a daily basis.

Chief Baker also reported that an Emergency Operations Center Tabletop scenario had been planned for the spring with more information to be presented to the Council during its next update. The Civilian Emergency Response team, a federal program that came down from the County, would be a marshalling resource in a neighborhood in the event of a disaster, where an individual in the neighborhood would be aware of how to turn off the gas and those types of issues in the event of an emergency.

On March 8 and 9, 2005 the Police Department would be hosting "Every 15 Minutes" at Pittsburg High School. An invitation would be provided to each Member. The program presented a drunk driving fatality scenario and its aftermath.

Chief Baker took this opportunity to introduce the new Department employees including Police Officer Salvatore Lombardo and Sergeant Robert Semas, and reported that Sergeant Robert Canchola would be retiring after 27 years of outstanding service. Additional new employees included Police Record Clerks Jackie Hussain and Cady Richards.

In response to the Mayor/Chair as to the selection of schools for the CHESS program, Chief Baker stated that the schools were chosen by the Pre-School Coordinating

Council, and through Jeffrey Payton, who chose the child to participate in the program. The program was currently in all of the public elementary schools.

**c. Finance**

Finance Director Marie Simons commended the Finance staff who had accomplished a lot over the past two years under the Council's direction, such as the zero based budget. She stated that the Department continued to have a challenging work program including the mid-year budget review which would be completed upon Council review and direction. The second goal was a two-year budget plan, reinstating the City's previous two-year budget policy. There was a March 4 deadline for all Departments to return their budget packages to the Finance Department. The Finance Department had calculated all salary and benefit costs for both years and the other operational line items had been sought from each Department, with a May 20, 2005 estimated completion.

Ms. Simons reported that early last year a Citywide staff committee with one administrative employee from each City Department had reviewed the City's current Purchasing Policy Ordinance and Procedures with the objective to make it more user friendly, to consider the thresholds and to segregate ordinance and policy as documents approved by the City Council. The procedures would be established by the City Manager and be in compliance with the policies set forth by the Council.

Ms. Simons stated that the Finance Department had completed the Management Team Review and had submitted those changes to the City Attorney. Upon the City Attorney's review, she would circulate the document one more time to the management team and the City Manager, to then be submitted to the Finance Subcommittee and then on to the City Council as a whole with an April 2005 completion date.

Ms. Simons reported that the City's former Finance Division Manager Thua Pham had just retired, but had worked long hours prior to his departure to ensure completion of January month-end, among other tasks. Efforts would be made to recruit for his position in conjunction with the Human Resources Department.

Ms. Simons reported that the actual conversion of financial data for last fiscal year as well as this fiscal year through February 15 had been completed. Information Technology staff and the Revenue Manager had completed the conversion and staff was reviewing the accuracy of the data. Staff training would occur on March 8. Operational staff would learn how to process a requisition, a purchase order and an invoice for payment. Accounting staff would be learning how to process journals as well as how to use the on-line inquiry and print reports. The actual live conversion of the new system would not be until June or July to allow staff to focus on the two year budget in April and May. The payroll conversion was tentatively scheduled to occur at the end of 2005. The remaining modules to be implemented included utility billing, business license, the budget module, and the fixed assets and accounts receivables, all to occur in 2006.

For completed projects, Ms. Simons identified the Master Fee Schedule which had

been placed on the City's website for public review, the Dr. Manross study, and the Fiscal Year 2003-2004 audit which the Council had accepted on February 21, 2005.

From October through December, Ms. Simons reported that Finance staff had provided support to the City Manager and the Redevelopment Director on the issuance of housing and non-housing tax allocation bonds under the Redevelopment Agency, which had resulted in \$16.3 million in housing proceeds that could be used for housing projects and \$85.4 million that could be used for non-housing projects. Finance had also been working with PFM, the City's investment advisor, on how best to invest the proceeds to maximize the leverage of the funds.

In response to Member Glynn as to whether or not the purchasing ordinance was flexible enough to allow the purchase of items readily available in the City but not necessarily the lowest competitive bid for that item; i.e. compressed gas sold out of Praxair, Ms. Simons stated that the Finance Department needed to have controls to make sure that taxpayer funds were being managed properly while also ensuring that there was no problem with bureaucracy. The revised Purchasing Policy Procedures would include a method whereby the City Manager would have the ability to waive certain purchasing procedures when it benefited the City.

Mayor/Chair Parent inquired at what quarter the utility billing, business license and fixed assets would be implemented in 2006. She was advised by Ms. Simons that would depend on how well the conversion proceeded. The utility billing system would be considered prior to the others since it was a major module. She suggested that the second quarter of 2006 would be when the utility billing, business license and fixed assets would be implemented.

#### **d. Human Resources**

Human Resources Director Marc Fox noted that the Human Resources Department had completed a variety of pay surveys, salary and employee retirement pick up costs along with two joint management labor agreements that had been part of the collective bargaining units. There had been no pay surveys of Department Directors. He reported that he had met with the labor negotiator to review the current collective bargaining agreements and personnel rules to determine which pieces of the current document were inefficient for the operation of the City that would either add costs or add inefficiency. Some of those ideas would be presented to the City Council. A comprehensive Benefit Survey had been completed through two major local private sector employers.

Mr. Fox stated that the labor negotiator used in the past had retired and a new labor negotiator had been retained and had met with the City Manager and the various bargaining representatives to discuss his approach and philosophy. The surveys had been reviewed with the City Manager and would be presented to the City Council in closed session to receive direction for five labor contracts, including the Police Officers Association, Officers and Sergeants, Police Management Group, Teamsters, Miscellaneous A Unit and Management/Professional/Confidential Group.

Mr. Fox referred to the level of spending threshold and commented that if an item was below the bid threshold the item could be purchased from any vendor. Mr. Fox added that the Purchasing Committee recognized that there were some occasions when bids were required. The buyer could use in his/her bid application the cost of the City staff time, equipment and the like to attain that product or service and use it to determine whether or not those added costs would make the local or outside vendor the lowest provider.

Mr. Fox stated that the Equal Employment Opportunity Plan had been presented to the City Council and had been amended. Some of the amendments had been reflected in the diversity recruitment process. The Human Resources Department had worked with the Police Department to revise some of the recruitment processes and currently had a study to review the fiscal ability testing to ensure that they had provided the most accurate means of testing in that arena. Additional advertising at the college and high school levels and in local sports programs had also been pursued to target local citizens who might be interested in police officer work.

Mr. Fox noted the programs identified by the Police Chief in working with school children and characterized that effort as a terrific long term recruitment activity which served a greater overall purpose through the promotion of good faith and good will of the police officers, and which indirectly provided another recruitment outlet. Advertising was also pursued in a variety of diversity based publications and in working with local groups to increase diversity efforts.

Mr. Fox also reported that part of the work plan called for a review of the Administrative Analyst and Human Resource Analyst classification series with a meeting with the bargaining unit next week to review their questions. Another part of the work plan included a Code Enforcement Aide, Code Enforcement Officer, and Police Assistant Classification study. Overall the Department's goal was to complete classification studies within 21 days. There were no additional classification studies pending.

As to the domestic partner benefits, Mr. Fox reported that the State had recently implemented new legislation which called for domestic partner benefits for health, dental and a variety of other benefits. He clarified that the State requirements were that a person was registered with the Secretary of State's Office either for same sex partners, or opposite sex partners where one of the two was a senior citizen. There was a State requirement in that regard. The City complied with those requirements.

For the second year in a row, Mr. Fox stated that the Department had prepared individual employee benefit statements to identify the cost and value of employer provided benefits; particularly in the area of medical, dental, Workers Compensation and the like. The Safety Committee continued to be aggressive in its work plan and was on the second of a three year program of implementing new procedures and policies mandated by law. The Shelter in Place kits had been completed and had been distributed to all departments. Staff had also completed training on the Bloodborne Pathogens Policy which moved from a development and training phase to an ongoing maintenance phase.

The Safety Committee was on target with respect to the hazardous communication policy, and the June 5, 2005 development of the policy and training of City staff. Along with good safety training was safety preparedness with one fire and evacuation drill having occurred on July 22, 2004. Another drill was planned on a date not to be publicized. Staff continued to work with other facilities such as the Corporation Yard, Housing Authority, and the CDBG program to drill those sites as well.

Mr. Fox explained that Workers Compensation had done trend analysis every year to evaluate whether or not the frequency or severity of claims was out of bounds from prior years. The Safety Committee would then develop additional training and notification methods to target those items. As to whether or not deductions had occurred in response to the Mayor/Chair, he suggested the City was slightly higher than average for the County Risk Management Program.

Mayor/Chair Parent noted that another agency had received a significant reduction, a savings of \$60,000 in that case.

Mr. Fox explained that was why a trend analysis had been done to identify ways to promote a safe work environment. He expressed his hope that there would be additional money in the budget for safety promotion. He had received a request from the Safety Committee to do that in terms of safe work habits and training. Desk top ergonomics training had been conducted in January. A short successful training had also been scheduled for March for office equipment; typewriters, computers, phones, faxes and the like. A stress training module had even been pursued although it had been canceled due to low attendance.

Mayor/Chair Parent inquired of the percentage of all City employees who had taken part in some of the classes.

Mr. Fox explained that for this series the training was for organizational leaders. He suggested that more than 90 percent of organizational leaders had taken the training at this point. 115 people had been trained in customer service training. A pilot program in Service Excellence Next Steps would target difficult customers. Human Resources staff would monitor the class to identify ways the class fit the Department's needs.

With respect to training, education and awareness, Mr. Fox advised that two training catalogs had been published and announcements and training materials were routinely sent to departments for routing to employees.

#### **e. Recreation**

Recreation Director Paul Flores stated that the Department had provided a recreation program to a diverse community.

The Aquatics Team had reviewed the 2004 season and had developed a plan for 2005, which would include aqua size classes for seniors, lesson scheduling to

accommodate commuters, and lifeguard training requirements as posted by the Red Cross and for the protection of the City. The Sports Program had been active with the development and presentation of the Oakland Warriors Youth Basketball League, Mommy and Me and Flag Football Program for 160 tiny tots. The program had also presented the Junior Football League for 160 youths, the Pepsi Punt, Pass and Kick Program, and had refined the Field Use Policy for the City facilities. The Teen Programs included the Under Construction crew, provided neighborhood cleanup to Bayside Knolls areas and provided Operation Shoebox to community seniors; small gift boxes of basic need items presented to seniors during the Christmas season with all materials donated by the community. There had also been excursions to sporting events, and an effort to reestablish the Youth Commission.

Mr. Flores reported that the After School Program had been provided at Foothill, Heights and Highlands School for 310 children. The Department was under contract review for additional sites at Hillview, Central and Los Medanos schools.

The Senior Center services had increased over the last quarter, with a successfully held pool tournament, a volunteer dinner and Thanksgiving luncheon, and a Christmas luncheon without the use of special event funding, with received donations from the community in the amount of \$205,000. \$1,500 had been provided by the Fifty Plus Club which continued to offer short monthly local excursions to local casinos. New programs were continuing to be provided for seniors, such as monthly blood pressure tests through Delta Medical and legal aide services, partnered with the United Veterans Council to host the Pittsburg Veterans Day Observance with a Seniors Golf Club and offering free classes to seniors over 55 years of age. Tax services were also offered by AARP.

The Recreation Department continued to provide ongoing recreational classes to the public including dance, karate, music, bowling, video and bocce. Special events programs included the Pumpkin Patch, Holiday Parade, decoration of the Historical Society Museum, holiday puppet show at the Historical Museum, assistance to the Chamber of Commerce for their events, an Old Town gospel concert and Old Town Sounds. The Department also partnered for the Old Town area and developed a Farmers' Market contract that would start in May and run through October in the Old Town area. Partnerships with the Historical Society had also been pursued.

The goals of the Recreation Department were to complete the new budget, and recruit instructors for a more diversified recreational program in the area of health, estate planning and teen services. Work to implement the schedule of Old Town activities, reestablish and develop the Youth Commission, and develop marketing activities for Small World Park for the 2005 season with a possible Super Sunday with puppet shows, arts and crafts, storytelling, and a petting zoo to draw more people to the park.

Goals to increase attendance and provide additional recreational services were also being pursued, as were goals to develop and plan events for adult and teen special events and socials, with work on a teen youth sports camp and a teen festival.

Mr. Flores emphasized the need to execute a Memorandum of Understanding (MOU) with the Fifty Plus Club as it related to the use of the Senior Center and the need for the club to be a partner on some of the maintenance costs of the building. The Department continued to provide input and efforts to the Neighborhood Improvement Team, finalized the City newsletter project, and worked with the soccer community in identifying field usage.

Mr. Flores stated that the City had a great quarter and had a busy quarter ahead.

In response to Member Glynn with respect to staffing, Mr. Flores stated that until there was an approval to add staff, the City would have to rely on the volunteer services of the community. He stated that the Recreation Department was dependent upon staff and the volunteers for additional effort. He acknowledged the fact that the City could not always depend on volunteers when they were needed at the most difficult times. If there was a need for staff to work overtime, the staff was paid overtime rates.

Vice Mayor/Chair Kee inquired whether or not all efforts were being taken to inform the public of available recreational programs through the City's website, such as the Farmers' Market to ensure it was marketed prior to the start of the event to generate community excitement.

Mr. Flores stated that a complete marketing program had been set up on the City's website, in local newspapers and on cablevision.

Member Johnson questioned whether or not Mr. Flores was working for the completion of some of the parks, such as Central Park, for the use of the fields for soccer programs.

Mr. Flores stated that the Department had been asked to provide input in the planning of the parks. He stated that the Park Planner had always informed the Recreation Department of the plans for the parks with input solicited from the Department and the Recreation Commission as to the use of the City's park facilities.

Member Glynn suggested that the Farmers' Market could be further marketed by identifying the schedule of events through the City's water bills.

Mr. Flores acknowledged that would be a good idea. He stated that as part of the contract with the Farmers' Market, the organizers of the market would do their own marketing and would go out to the community and schools to inform the public of the upcoming event. The market would be held every Saturday at the corner of Sixth and Railroad Avenue, [adjacent to the museum] from 9:00 A.M. to 1:00 P.M.

In response to Mayor/Chair Parent, Mr. Flores acknowledged that a number of the classes at the Senior Center were in partnership with the Pittsburg Unified School District (PUSD) Adult Education Department, with the intent to maximize the hours of building use and to maximize the classes provided.

Mayor/Chair Parent referred to a driving program for older drivers which could result in reduced insurance and which had also been provided in Spanish. She asked how many other recreational programs were being offered in Spanish, to which Mr. Flores stated that there were some programs although he would have to identify an accurate number at a later date.

**f. Public Works**

Public Works Director John Fuller characterized the Public Works Department as the largest and most diverse department in the City. The annual goals were numerous and the number one goal was operation and maintenance with specific projects listed in the handout presented to the Council. He reported that since the beginning of the year the Department had responded to over 100 street sign maintenance and repair calls, 114 pothole calls, completed over 107,000 water meter reads, cleaned over 232,000 feet of sewer pipes and completed over 4,600 feet of street sweeping in the City.

Mr. Fuller stated that the Facilities and Utilities Department at the Corporation Yard was working on the Streetlight Upgrade Program. After a long effort, he stated that PG&E had finally provided ten upgraded streetlights, installed in the Heights neighborhood, and had been very responsive in getting vandalism shields installed in the West Boulevard neighborhood. There was an ongoing project for the Sewer System Inspection Rehabilitation Program, a long term maintenance and inspection program, with the completion of 6,000 lineal feet of closed circuit television inspection of sewers. That information was being concentrated in the northwest area of Tenth Street.

Mr. Fuller identified other items being pursued by the Public Works Department as the replacement of the City's heavy equipment and vehicle fleet. The City currently had \$200,000 to \$250,000 more to spend this year than in the past for that program. The City Council had recently authorized the purchase of a backhoe and light duty trucks, with three patrol cars on order. The new street sweeper had come in and a new asphalt roller and gang mower had arrived this week.

Mr. Fuller displayed an example of the heat light shields installed by PG&E for the West Boulevard area which consisted of reinforced plastic and which would stop small arms fire, if necessary. Photographs of some of the equipment which had been purchased were displayed to the Council.

Mr. Fuller stated that another activity the Department was involved with was eradicating illegal dumping. He presented a photograph of a lot off of Frontage Road where the Department had collected over 3,400 cubic yards of miscellaneous debris, which had been illegally dumped and which represented almost a full man year of labor for its removal. In that instance, Mr. Fuller reported that the City had worked with Code Enforcement and the County to clean the properties, since the County technically owned those properties having acquired them as the agent for the transportation agency.

Mr. Fuller reported that through the neighborhood preservation efforts, and with

Code Enforcement staff working with Public Works staff, flash cams had been installed, one at the end of Industry Road, to address notorious illegal dumping. He stated that the installation of the flash cams had successfully curtailed some of the illegal dumping. There were six flash cams to be installed; four had already been installed.

Mr. Grisham stated that the flash cams offered a record of the individuals and the vehicles associated with any dumping, even during the evening, whereby the license plates could be identified off of the images provided.

Mr. Fuller stated that when the camera was operational, it strongly discouraged illegal dumping in that it audibly identified its presence and its purpose.

Mr. Fuller referred to another goal of the Department to use supplemental labor available to the Public Works Department through the use of volunteers and community organizations willing to provide assistance or through the Work Alternative Program through the Sheriff's Department. In 2004, the City of Pittsburg had 17,000 hours of work alternative use and 20,000 hours total. This year the City was on target to have 20,000 hours out of the Work Alternative Program and would likely have the total hours of the year increased over the prior year.

The Department was also working on a Street Median and Landscaping Master Plan and Rehabilitation Project which would be under way in the future. A consultant would be selected to work on that project. City crews had been doing street improvements, with street tree pruning in targeted neighborhoods to clear streetlights in the High School Village areas, West Boulevard, and surrounding streets. The Department would be putting out a contract to hire an outside tree trimming crew to do other selected neighborhoods and to expand the efforts with the neighborhood of West Boulevard, which would be part of that contract.

The Superintendent of Parks was also working to use wood mulch to reduce weed growth on vacant City properties and in Buchanan Park. In partnership with the Garaventa Company, the City had used Garaventa's wood grinder from the transfer station to clean up some of the properties, at no cost to the City.

Mr. Fuller reported that the Water Treatment Plant had a variety of goals including improvements based upon federal law to improve security at utilities. The Department had recently bid the closed circuit television security system, but had elected to rebid due to the opportunity to save some money with the use of wireless technology which would be cost competitive due to the costs of buried cable. The Water Plant Laboratory has been recertified by the State with minor comments from the State. The Department was awaiting the certification certificate in that regard.

The raw water well at Rossmoor was being rehabilitated with a new pump to be installed this week and with rehabilitation of the casing on the well having been completed with the pump and motor to be reinstalled. The Department was also running a project to find a site for a new raw water well. A consultant had been contracted to help find another

well site. Staff would return to the Council in the next few weeks to request the award of a contract to a consultant to assist in the siting and design of a new raw water well.

Mr. Fuller stated that another project was to help reconstruct a baffle wall (sedimentation basin) in the flash mixer. There was a similar wall inside the flash mixer where water first entered the Water Treatment Plant from the canal. The facility was in operation 365 days a year and the plant would have to be shut down for inspection. When recently inspected, it had been found that the entire baffle wall had separated for its full length from top to bottom. There was therefore a lot of work to do to address that situation which would probably not occur until 2006 given the approach of the high water demand part of the year and since the plant would have to be completely shut down. It was likely the work would be done next winter although all efforts would be made to have the work completed this year, if possible.

Mr. Fuller identified the Administration Division of the Public Works Department, reported that the AB939 Recycling Report had been completed and noted that staff was working on the Water and Sewer Fee Study and would be going to the Finance Subcommittee on March 10 to begin discussions of that project, which would be presented to the Council for consideration in May. Contract work was often done, such as for tree trimming work and included completion of contracts on Atlantic Avenue. He also noted that the Department had gone out to rebid to award a handicap installation project through funds secured through CDBG grants to provide ramps for the disabled.

Mr. Fuller emphasized the importance of the CDBG funds since the Department received \$60,000 to \$80,000 annually to do that work which was the only funding the Department had to proactively install handicap ramps. The Department was also ready to commence the Street Patch Paving Contract and had initiated discussions with PG&E for a project to potentially buy out the streetlight system from PG&E so that the City did not have to wait nine months for PG&E to install lights.

Mr. Fuller also stated that Public Works Week would occur in May 2005. Invitations to the upcoming event would be mailed to the Council.

Member Glynn referred to the median strip between the Police Academy towards St. Peter Martyr, which was mounded with foliage planted on the top. He stated that the traffic coming out of Cutter Street was not clearly visible since the median strip was too high. He suggested that the height of the dirt in that area be lowered to allow better visibility of oncoming vehicles. He was advised by Mr. Fuller that the Master Planning effort for median islands would include two components; to establish common types of plants that would be acceptable in different locations and a design to address maintenance costs. Mr. Fuller advised that the referenced median strip could be reviewed as part of those efforts.

## **g. Planning**

Planning Director Melissa Ayres advised that the Planning Department maintained the General Plan, Zoning Code and the Sign Ordinance, and in working with the

Engineering Department, the Subdivision Ordinance. In advance planning for the last reporting period, the Department had completed the component of the Inclusionary Housing Ordinance related in the Inclusionary In-Lieu Fee which had been adopted by the City Council on February 7, 2005. The State Department of Housing and Community Development (HCD) had also advised that the City's Housing Element had been certified as being in compliance with State law. The update of the General Plan, as adopted in 2001 with incorporated amendments through December 2004, had been published and had been made available to the public and was on the City's website.

In current planning development, Ms. Ayres reported that 29 applications had been processed, which did not include miscellaneous permits such as home occupations and small signs, but which included a Development Agreement, a rezoning, two subdivisions, eight use permits, 13 design review applications and four Negative Declarations related to those projects. Other projects approved in the last reporting period included the Tenth and Railroad Avenue Mixed Use Development, the Rose Glen Subdivision, and the Vista Del Mar project. Each of those projects included a 15 percent affordable housing component.

Commercial projects approved during the last reporting period included the Mixed Use Project at Tenth and Railroad Avenue, Ramar Foods (an expansion of an existing business to a third location), and two new Starbucks - one at Buchanan and Loveridge Road and one at an existing shopping center on Railroad Avenue. Signode Warehouse had also conducted an addition to its project west of Railroad Avenue and south of Parkside Drive. The Planning Commission had recently approved a use permit for a satellite campus for John F. Kennedy University at 2020 Railroad Avenue.

Ms. Ayres reported that the Planning Department was in charge of administrative activities related to the National Pollutants Discharge Elimination System (NPDES) implemented by the Engineering and Public Works Department and City staff. The Council adopted during this reporting period a new Stormwater Ordinance which would implement new permit regulations, specifically the recently adopted C3 requirements. Other Department staff had been involved in the training and implementation of those regulations, represented the City at Countywide NPDES meetings and served on oversight committees and planning and permitting work groups and ad hoc committees involved in the program level with all participants from the County and had been working with the Delta Diablo Sanitation District (DDSD) on follow-up inspections on violating facilities. The City had contracted with the DDSD to conduct inspections on NPDES maintenance and adherence to those rules for both commercial and industrial properties.

Mayor/Chair Parent declared a recess at 7:43 P.M. The Council reconvened at 7:53 P.M. with all Members present.

#### **h. Engineering and Building**

City Engineer Joe Sbranti stated that the Engineering Department was broken down into the Building Division, Capital Improvement, Traffic and Development. The Building Division had issued 389 permits in the last quarter of 2004, with just three full time

inspectors. He commented that each permit required multiple inspections. The number of inspections was expected to double in 2005, particularly for the projections on single family home inspections. 370 individual mobile home inspections had also been conducted for the Meadows Mobile Home Park and staff was now in the report writing stage at this point to allow them to proceed to the next mobile home park later in the year. The Building Division had also been working with the Code Enforcement officers on a handful of major projects.

Mr. Sbranti reported that the Capital Improvement Division included 20 active projects involving an investment of \$50 million in City funds being invested in the City. He identified projects that had been completed in the last three months, including the completion of the ballpark lights. There were a number of projects underway, one of which was the State Route 4 Flood Relief Project or Kirker Creek, which was ready for acceptance in terms of the work.

Member Johnson verified with Mr. Sbranti that the signal lights at West Leland Road had not been turned on and would not be turned on until Leland Road connected with the cross traffic.

In response to Mayor/Chair Parent, Mr. Sbranti advised that Americana Park would be submitted to the City Council on March 21 for acceptance of the work done on the upper portion of the park to allow the use on that portion. The actual completion of the project would not take place until May 2005 due to the need to complete the detention basin which was located below.

For the 2004-2005 Citywide Pavement Rehabilitation Project, Mr. Sbranti stated that Polaris Drive was currently being repaved. Schooner Way would occur soon after the completion of Polaris Drive.

With respect to demolition, Mr. Sbranti identified the buildings that were being demolished to allow other development to occur along Railroad Avenue across the street from the former City administrative building and school offices. The former building at 700 Railroad Avenue, which was formerly occupied by Imperial Bank, had been demolished and the project would move on to the building at 985 Railroad Avenue within the next 10 days.

As to the timeframe for the Marina Center Parking Lot in response to Member Johnson, Mr. Sbranti stated that the work was being delayed due to weather. There was work being done on utilities including the storm drain which had a conflict with a PG&E line and which had to be relocated to allow completion. There would be some costs, although not significant, to the City in that regard.

Mr. Sbranti advised that those additional costs could easily be absorbed within the contingency that had been budgeted for the project. Once the weather improved, the utilities would be completed and the pavement installed. That work could be done in a matter of weeks with consecutive good weather.

Mr. Sbranti presented a list of upcoming Capital Improvement Projects (CIP), noted

that a number of projects had not been included at this point, but would go into construction over the next six to eight months. He referred to the 2020 Railroad Avenue remodel project to allow JFK University to occupy the site. That project was due to be out to bid within the next 30 days with a tight schedule for the removal work to be completed to allow JFK to occupy the building by July 1, 2005. There were also pavement rehab projects scheduled for this year which had not been shown on the list, along with a variety of other projects including bridge retrofits and other parks, such as Martin Luther King Park.

For the Traffic Division, Mr. Sbranti stated that the Division responded to a number of projects, development work, citizen complaints and concerns, investigation for speed humps, redesign for pedestrian safety as an example on Yosemite Drive, citizen traffic requests, and truck wide load permits with 102 permits having been issued in the last quarter. The Division also worked closely with the Planning Department and other parts of the Engineering Department to fill the traffic need in all areas.

Member Johnson referred to the lights at Harbor Street and Yosemite Drive and inquired of the status of that project.

In response, Mr. Sbranti advised that was a project that would go into design this year with a target of construction and building by mid-2006. He acknowledged that the project had been on schedule for some time and would proceed as noted.

Mr. Sbranti added that the Traffic Division had also met with BART, the Contra Costa Transportation Authority (CCTA), the Mayor/Chair and the Executive Director of the CCTA to ensure that the Railroad Avenue/Highway 4 location would be thoroughly considered for an eBART station. He stated that everything would be done to make sure that location would be carefully considered.

Mr. Sbranti stated that the Traffic Division also worked with all available grant applications to ensure funding for pedestrian and bicycle safety projects. In the last quarter, the division had submittals for grant applications totaling \$1.8 million to improve pedestrian and bicycle safety. Another project was the issuance of the Request for Proposal (RFP) to replace 50 traffic controllers in the City to ensure that when a traffic signal went out parts could be replaced and work together.

Member Johnson thanked Traffic Engineer Paul Reinders for his efforts on Buchanan Road to improve the synchronization of those traffic signals.

Mr. Sbranti identified Public Works Department staff who worked to keep the traffic signals coordinated.

With respect to the Development Division, Mr. Sbranti stated that significant development was ongoing and the Division was very busy trying to keep up with all of it, including plan check, grading and improvement plans and work with Geological Hazard Abatement Districts (GHADs), along with the issuance of encroachment permits. He identified the projects that were currently under plan review as listed in his presentation. He emphasized the significant development in process and commented that the Vista Del

Mar development had impacted the Engineering Department with substantial work hours. The Development Agreement for that project had been completed in the last quarter. That project was expected to generate more work in the next year and the years after.

Mr. Sbranti added that Engineering, like other City Departments, had a key employee, the Records Technician, who was seeking retirement in the near future after 30 years of service with the City.

**i. Economic Development**

Economic Development Director Brad Nail updated the Council on the activities of the Economic Development Department, which oversaw the operation of the Delta View Golf Course, where the primary focus was to control expenses and work to increase revenues. He reported that efforts continued to be made to streamline operations by reducing operational costs and increasing the number of golf tournaments in 2005, creating a new Senior Golf Program in working with the Recreation Department, and commencing in the summer of 2005 working with the PGA to create a Youth Program. In an effort to reduce costs, the Maintenance Department had worked to conserve water and had reduced the cost of water usage at the golf course by 40 percent from 2001 to 2004.

For the Pittsburg Municipal Marina, Mr. Nail stated that there had been a new security surveillance system installed at the Marina along with a new circulation pump for the Marina Park channel, new fueling system, dock renovation and the future development of the shore side assets of the Marina, as well as a boutique hotel. Marina revenues were on the rise for the last six months of July through December 2004, slip rentals were up by \$49,000 and gas sales during the same period were up by \$24,000. The increase in slip rentals were without the completion of the new docks which would add 80 new berths.

Mayor/Chair Parent inquired what percentage of the gas sales had to do with the increase in price.

Mr. Nail stated that the revenues would fluctuate depending on the price. The Harbormaster had made sure that Pittsburg Marina's gas sales prices were the most competitive in the region and people from all over had been filling up at the docks.

Mayor/Chair Parent requested a total figure of the gallons of gas expended at the Marina which could be used as a comparison. Mr. Nail affirmed that information could be provided.

Mr. Nail reported that the Department had worked with the Recreation Department and the Chamber of Commerce to develop a year long plan for marketing of events in Old Town. There was a continuous number of events planned for Old Town with the goal of bringing people into the area to actually participate in the activities taking place. He stated that the Department had implemented a GIS program on the website, which was advanced technology to attract businesses to the City. The program had an expanded demographic parcel zoning data on the availability of commercial property listings in the City. The site

was on the City's webpage for the public to see as well as professional site selectors to utilize.

An annual Business Satisfaction Survey had been conducted with over 200 responses from business license holders in the City, based on 2,000 mailings. The results were currently being tabulated, to later be presented to the Council.

Mr. Nail advised that Breda Transportation, an Italian rail manufacturer, was preparing to build rail cars for the City of Los Angeles. The City of Pittsburg was in the process of creating a Phase One loan to Breda for the \$2 million worth of improvements to the Contra Costa Industrial Park facility. In anticipation of the new contracts, Breda had leased an additional 40,000 square feet at their site which now totaled 200,000 square feet leased. The first prototype rail cars would be expected from Italy in June with the assembly of the Los Angeles light rail contract to begin in earnest in September.

The expansion of the western edge of North Park Plaza, which would include a 40,000 square foot retail pad, two additional pads and a gas station with car wash and convenience store, would complete the North Park Plaza development.

Ramar Foods International Corporation was currently involved in an expansion project that would include the use of the former Marina Skate building located on Railroad and Central Avenue, the rezoning and conditional use permit for which had been approved by the Planning Commission. When complete, that project would employ over 100 people and be able to remain in the City.

Mr. Nail stated that the Economic Development Department continued to work with Markstein Beverage which had outgrown its 40,000 square foot distribution center and which needed to double its size. Staff was working closely with the company to find a new location and work on the development of the existing site. Adjacent to that site, was the old PACE store, where staff was working with the property owner to secure a large high volume tenant for that space which consisted of 105,000 square feet. Harley Davidson was open for operations and staff had been informed that the business had far exceeded its sales projections and were pleased with the store location at Leland and Loveridge Roads.

Empire Business Park located at 701 Willow Pass Road consisted of an existing 325,000 square feet of light flex industrial space. Planning Commission consideration of Phase II for an additional 325,000 square foot building was scheduled for March 8. Staff was working with the applicant to bring tenants to that building.

Mr. Nail reported that Hunter Payne had finished its first production line of 125,000 square feet. An eminent lease was ready to be executed for an additional 150,000 square feet which would provide for 400 employees. There were also two other large 150,000 square foot plus tenants who were expected to move forward shortly. The Empire Commerce Business Center was located on the same site and consisted of a 54,000 square foot condominium commercial site. Staff was working with the developer on the marketing and sale of the Empire Business Center.

The sales results of the existing car dealers located at Century Auto Mall had resulted in increased sales taxes for the City as a result of the increase in the sales of the existing dealers. Within the next several weeks staff would be announcing a large expansion of the Auto Mall.

Mr. Nail also reported that staff continued to work towards the development of Site LA located to the south of USS POSCO Steel for a light industrial park. Once fully developed, that site could generate several thousand jobs for the City.

Mr. Nail stated that international trade discussions continued with a possible cooperation between the Port of Oakland and the City of Pittsburg, continued relationship with the Bay Area World Trade Center, and with the City having joined the Sister Cities International organization to improve its Sister City programs.

Mr. Nail added that Outback Steak House was in the planning stage and involved a two year negotiation process. Plans were also expected from Chili's Restaurant. Both restaurants were to be located by Circuit City in the Delta Gateway Shopping Center and both wanted to be open by the end of 2005.

The Loveridge Center continued to do well with Starbuck's being very successful. Another two freestanding Starbuck's were anticipated to open in the next several months, for a total of four Starbucks in the City.

The City had also completed its negotiations and agreements approved by the Redevelopment Agency and the City Council for the 96-room Hampton Inn Suites Hotel to be built at the Loveridge Center. It would be a first class hotel with meeting facilities for 120 occupants. Other amenities included a swimming pool. The hotel was expected to generate approximately \$250,000 in revenue to the City. The business planned to be open in summer 2006.

JFK University had executed a lease to occupy the former City Administration building located at 2020 Railroad Avenue for two years. A conditional use permit had recently been approved by the Planning Commission. Construction would begin to remodel the facility. JFK Classes were anticipated to start April 2005, with the Senior Center to be the site of those initial classes at this time. Both classes to be offered were expected to be full by April.

Mr. Nail emphasized that there had been a favorable increase in sales tax to the City, at 28 percent, which also represented some vehicle license fee (VLF) backfill into the General Fund. The City had experienced a strong increase in sales taxes and expected the trend to continue with the expansion of the Auto Mall and other retail businesses.

Mayor/Chair Parent questioned whether or not the sales tax figures included the paybacks the City must make, particularly to the City of Antioch.

Mr. Nail explained that the paybacks did not come from sales taxes but from the Economic Development Reserve Fund. The figures had included the funds to be paid to the City of Antioch for auto sales and had been included in the information provided to the Council.

**j.       Redevelopment**

Director of the Redevelopment Agency Garrett Evans reported that the Unified Development Areas (UDAs) created over the last quarter had occurred on the southeast corner of Tenth and Cumberland Streets and on the northwest corner of Railroad Avenue and West Boulevard; two areas of focus. He noted that Randy Jerome the Director of Development Projects, had been focused on those projects, including the California and Enean Theater projects, the Seventh Day Adventist Church for the former Los Medanos Hotel site, and Transbay Cable Project. Some of the other administrative work being conducted by the Agency included the Black Diamond Project with Lamphier and Gregory chosen to assist staff in the coordination, review and preparation associated with the Environmental Impact Report (EIR) process.

Mr. Evans advised that David Paul Rosen & Associates were on-call and had provided professional services and development advisory and management services. Associated Right of Way had been busy conducting appraisal services; James Miller & Associates had provided design, design development and construction documents for the bed and breakfast design, and Main Street the development and production of the Old Town Downtown Guide and Principles. The Redevelopment Agency had also adopted the Implementation Plan for the Los Medanos Project Area 2004-2009.

Mr. Evans stated that in terms of financing, the Agency had embarked on two money financings; the Capital Improvement Tax Allocation Bonds, non-housing bonds in the amount of \$85 million and housing bond at \$16 million, which would enable the Agency to shift various projects around. It was anticipated that a list of all of the projects would be presented to the Council on March 21, 2005, with all structures having been noticed pursuant to the Health and Safety Code.

For affordable housing, the Agency had amended the First Time Homebuyer Program to increase the Agency assistance from \$35,000 to \$50,000 in keeping up with the housing prices which had proven to be a challenge. An Inclusionary Housing Policy had been adopted by the Agency as had subordinate financing for the Marina Heights Apartments.

Loans that had occurred in the three month period included an additional \$541,000 approved to complete the Very Low Senior Income housing project at Presidio Village. The Agency was waiting for the developer to sign off on documents for that project to proceed. The Agency had also approved two Commercial Rehabilitation Loans for 4020 Railroad Avenue and 120 Yosemite Drive. There was approximately \$300,000 left in the program which was unencumbered.

Mayor/Chair Parent verified that occupants had moved into Presidio Village. She clarified with Mr. Evans that for the collateral that had been part of the guarantee for the loan for that project, staff had requested an appraisal to ensure that the Agency was not being over extended. She was advised that as soon as staff received that documentation a report could be made to the Agency.

Mr. Grisham added that it was policy that whenever the Redevelopment Agency Board took collateral there would have to be an appraisal, which would be done in this case. The party would have to agree to that appraisal to receive money from the Agency.

Also in the last three months, Mr. Evans reported that with the exception of Resolutions of Necessity, the following properties had been acquired: 306 through 318 Railroad Avenue, 2059 and 2075 Railroad Avenue, 985 Cumberland Street, 101-109 School Street, 295 E. Tenth Street, 325-333 E. Tenth Street, and 337 E. Tenth Street. The properties located at 916 and 985 Cumberland Street involved Resolutions of Necessity.

Mr. Evans stated that the Agency had assisted in CIP related projects that had ended in that period including the Presido Lane improvements, 2004-2005 Program and Projects approved, and the Neighborhood Improvement Program Funding.

Speaking to the Pittsburg Power Company, Mr. Evans explained that the Transbay Cable Project involved 55 miles of high voltage dc line running from Pittsburg to the San Francisco Bay Area. A project support letter had been received from the State Independent System Operator (ISO) on February 20, 2005, with ongoing negotiations for a converter station site in San Francisco. Across town for the electric distribution line, RFP's had been completed on November 22, 2004 and the proposals had been evaluated in December 2004. Staff was currently under design study and utilizing the Tenth Street PG&E joint trench as well as connecting the Mirant and Site LA Greenfields areas.

For Island Energy Projects, projects that had been completed included a utility gas and electric billing system. As to its interactivity with the Eden System, Mr. Evans reported that there would be a format that would work into the City's finance system when that time arrived. Financial reports would be realigned to support the requirements and staff continued to improve Minol to improve error free billing, the billing cycle and adding special lines for taxes that could be added.

For the Western Area Power Administration (WAPA), a new Power Marketing Plan and Power Supplies had been completed which allowed power to be provided at Mare Island for the next 20 years.

The Pittsburg Power Company would work with Island Energy customers on an annual rate basis to reach the lowest possible rates. As Mare Island developed, the Power Company would also work with the developers such as Lennar LLC to develop different types of agreements, developments, and easements. The Power Company Board had approved the capital projects and budgets.

Mr. Evans stated that Pittsburg Power Company had also been working on the Gas and Electric Operations Agreements with the City of Vallejo for some time and had roughly concluded all major issues.

Mayor/Chair Parent understood that Mare Island had experienced a building boom, to which Mr. Evans commented that Mare Island as with the City of Pittsburg, had been experiencing a phenomenal increase in housing prices and sales. Mare Island had 1,400 units underway at a cost of \$600,000 per home.

## **MID-YEAR BUDGET REVIEW**

Finance Director Simons reported that the main focus of the presentation would be on the General Fund Trend Analysis. Staff had reported to the City Council all revenues and expenses through December 2004 and had compared those revenues and expenses to the City's amended budget. All funds and capital improvement projects were on target. She commented that the General Fund appeared to be doing better.

Ms. Simons stated that unallocated fund balances for all City funds in the Redevelopment Agency had also been reported, which included everything that had been budgeted including any budget amendments through December 31, 2004, and which identified the balances available for future appropriations.

Ms. Simons reported that the Trend Analysis had been based on an eight year period. Five years of the eight years had been historical information and the last three had been related to projections for this year as well as two years. Projections had been based on six months of activity based on what staff knew at this time. Staff added no new programs and no new revenues. She identified a comparison of General Fund revenues to expenses over an eight year period.

Offering the background to the budget issues, Ms. Simons reported that in 1999 there had been an increase in revenues which was the year of the \$6 million in proceeds from the sale of the power plan to Calpine, which funds had been deposited into the City's General Fund. In 2003, there had been an increase in expenses. The Council had taken action to take the \$6 million out of the General Fund and transfer it to the Economic Development Reserve along with a \$2 million transfer out of the General Fund to the Fringe Benefit Fund to prefund medical retirement costs and the vacation payout for retiring employees.

Ms. Simons reported that starting next fiscal year; the General Fund would have to fund those costs on an annual basis, representing an \$800,000 impact to the General Fund. She stated that over the eight years, deducting the \$6 million in the first year and compare that amount (\$22.9 million in revenues) to the 2007 revenues of \$29.7 million; there would be a 30 percent growth in ongoing revenues over that period. With expenses of \$20.2 million in 2000 and a projected \$33.9 million in expenses in 2007 there would be a 68 percent increase projected over eight years. As such, ongoing revenues had not kept pace with the City's expenses.

Ms. Simons noted that property taxes were fairly flat, and while they had been growing, that growth was slight. She also noted that while the change to the Redevelopment Agency (RDA) Plan deletion approved by the Agency in 2004 had benefited the Agency by \$1.5 million in growth and tax increment, there was a corresponding negative impact to all taxing agencies which meant that property taxes for this year declined by \$300,000 because of that impact. She added that sales tax receipts had increased for this year. Sales taxes had also increased in 2001 and 2002 when the power plants had been constructed and when the City received the use tax for the materials used for that construction.

Ms. Simons identified a slump in sales tax in 2003 when Adtranz had left the City. In 2004-05 sales taxes had again increased. For the first six months, there had been a significant increase. Staff projected to end the year with a \$1 million increase in sales tax receipts for a total of \$7.7 million this year.

For VLF, Ms. Simons identified the growth of VLF fees and the decline when the State had taken those funds away. Even though the VLF rate had decreased from 2 to .65 percent, cities were receiving a VLF backfill. The same was occurring with sales taxes when the State was taking a quarter percent of the City's sales taxes to pay the pension obligation bonds and backfilling property tax money through the County.

Ms. Simons pointed out other ups and downs in the budget and identified the transfers including the RDA transfer for administrative support and the gas tax funds to support street maintenance. She emphasized that one-time revenues, such as CDBG funds and funds from the Fleet Management Fund had been used to balance this year's budget. She described what had occurred to balance the City's budget, noted the positions that had been frozen in order to balance the budget, and cited the increased population of the City, commenting that the City's efficiency had improved while serving a growing population with fewer General Fund employees.

Ms. Simons explained that the population had grown by eight percent while the reduction of General Fund positions was nine percent. She presented a graph to show all Citywide positions for all funds, which had shown the decline of City positions as a result of freezing the General Fund positions.

Ms. Simons reminded the Council that the budget had been balanced by \$2.5 million of spending reductions, including frozen positions, the \$1.6 million sale of land in the RDA of \$800,000 and one time revenues including the CDBG grants, the transfer in from the power authority as well as the Fleet Management Reserves. The amended budget had a slight deficit because of one-time budget amendments, such as the chiller for the City Hall building at a cost of \$70,000 and a \$50,000 amendment to pay for lighting and landscaping consulting work.

Ms. Simons identified a projection surplus of \$650,000 given the City's higher receipt level in sales taxes and slight increase in VLF fees. She noted that if Departments ended the year with savings, that number could improve. She also provided an overview of the

next two year budget plan based on what was known at this time, to be refined in the next three months, with more accurate numbers to be provided when submitted to the Council in May 2005. A shortfall had been projected at \$4.2 million for the first year of the budget plan and for the second year as well, although she explained that the shortfall would decline in the second year as a result of the \$507,000 shift to the State which would go away in the second year and due to no forecast of an increase to the Public Employees Retirement System (PERS) rate. While PERS did not foresee rates increasing, she stated that things could change over the next year.

Ms. Simons reported that staff had prepared a proposed balanced budget relying on land sales to the RDA of \$2.3 million relating to Power Avenue, and splitting that land sale in two installments of \$2.3 million in the first year of the two year budget, and \$2 million in the second year budget. Power funds would again be used to balance the budget. It was also proposed that the savings (surplus) from this year would help offset next year's costs. It was projected that there would be \$400,000 in salary savings due to vacant positions, most of which had occurred in the Police Department. Cost containment, considering CDBG grants and other revenue sources would be used to refine that total. Ms. Simons stressed that the mid-year budget review represented a snapshot at this time, to be refined over the next three to four months.

Mayor/Chair Parent asked about the reserves. As the budget increased, she questioned whether or not the reserve was being increased as those numbers increased.

In response, Mr. Grisham stated that would not be done. At this point the reserve was 23 percent of the annual operating budget. If dropping below 20 percent, there would be major concerns since prudent fiscal policy dictated that somewhere between 20 and 25 percent was where the reserve should be maintained to accommodate unforeseen circumstances.

Mr. Grisham emphasized the concerns and noted that while land sales would help to offset the budget this year, there was little land remaining to count on in the future. Further, securing funds from the Pittsburg Power Company was a concern given that those funds would then not be available for investment purposes.

As to whether or not the projections included an increase to salary benefits to employees, Ms. Simons reported that the projections included merit increases only and not an across the board Citywide cost of living adjustment for either of the two years.

Mr. Grisham stated that the City was relying on revenue projections that could not be counted on over time. He emphasized that a big gap would have to be closed. While the budget could be made to work over the next two years, during that period economic development and other revenue generating efforts, such as an increase in taxes, would have to be pursued to ensure an appropriate revenue source in the future. He reiterated that while the budget could be made to work for the next two years, over the long term more revenues were needed just to keep the City staffed at its current levels.

Mayor/Chair Parent questioned the amount projected from the Mello Roos districts such as the San Marco Police Services mechanism, to which Ms. Simons stated that those assessments and services were separate from the General Fund since the assessments would pay for the costs.

Mayor/Chair Parent noted that more than \$1 million had been put into lighting and landscaping to augment that fund. She questioned how much had been projected for the 2005-2006 period.

Ms. Simons explained that it had been based on today's funding and increased three percent over the last two years. The current funding included the fact that the Public Works Department had eliminated a Public Works Supervisor, and two maintenance workers.

In response to Member Johnson, Ms. Simons noted that this year's CDBG money that had come in to help support police and code enforcement had totaled approximately \$145,000, along with a small grant of \$6,000 that had supported recreational programs. A large portion of what had come in had been from the vehicle replacement fund where \$300,000 was taken from the reserves to help support and balance the General Fund budget. While building was expected to double, there could also be a housing slowdown that could affect those totals.

Ms. Simons stated that staff would have to work with Engineering closely on the expected development fees, which she emphasized were one-time fees.

Mr. Grisham stated that there were things that could be done to address the revenue challenges. He reiterated that while the City could be all right for the next two years, after that time there would be real concerns.

## **CITIZENS REMARKS**

WILLIE MIMS, Pittsburg, representing the Black Political Association (BPA), spoke to the property at 2020 Railroad Avenue and questioned where the parking would occur.

Mr. Mims was advised by the Mayor/Chair that the adjacent PUSD offices did not utilize the entire parking lot and there was a parking lot on the other side of its own building. The lot would also not be used at night by the PUSD when JFK University classes would be held with the exception of two Wednesdays each month when public meetings were held by the PUSD.

Mr. Mims asked for a clarification of supplemental labor, reported by Mr. Fuller that supplemental labor was any labor that was free to the City and that did work for the City in lieu of paid labor, such as the Custody Alternative Program, which involved those who received speeding tickets, could not pay his/her fines, and who worked off those fines through litter pick up work and light maintenance in City parks.

Mr. Mims asked the Finance Director about the report just offered and requested

clarification as to whether or not previous financial reports had included balanced budget measures.

Ms. Simons stated that past mid-year budget review reports had not included the General Fund Trend Analysis, the five year historical information plus three years out of projections. Past budgets had included budget balancing measures since that was how the City Council had been able to balance the budget during the past two years.

### **ADJOURNMENT**

The Special Joint Meeting of the Redevelopment Agency and the City Council adjourned at 9:02 P.M. to the next regular meeting on March 7, 2005.

Respectfully submitted,

Lillian J. Pride, City Clerk

als